

AS

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 96-209-C - ORDER NO. 97-16

JANUARY 6, 1997

3

IN RE: Application of Shared Communications Services, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Reseller of Interexchange Telecommunications Services in South Carolina. )  
ORDER )  
APPROVING )  
CERTIFICATE )

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Shared Communications Services, Inc. ("SCS" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1995) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed SCS to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of SCS's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. SCS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to

Intervene was filed by the Consumer Advocate for the State of South Carolina (the "Consumer Advocate").

A hearing was commenced on December 4, 1996, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. SCS was represented John F. Beach, Esquire. Elliott F. Elam, Jr., Esquire, represented the Consumer Advocate. Florence P. Belser, Staff Counsel, represented the Commission Staff.

By its Application, SCS requested to be regulated in a relaxed fashion similar to that approved for AT&T in Docket No. 95-661-C. At the beginning of the hearing, counsel for SCS stated that the Consumer Advocate and SCS had reached an agreement prior to the hearing regarding the requested regulatory treatment. Generally, per the agreement, SCS is seeking the same treatment as AT&T received in Order Nos. 95-1734 and 96-55 with the exception that the maximum rate structure will remain in place for all services. Specifically, SCS agreed to revise its request for relaxed regulation as follows:

(1) With respect to business service offerings, credit card services, future operator services, private line services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven (7) days, then the tariff filing will be suspended until further order of the Commission.

(2) Any relaxation in the reporting requirements that may be adopted for AT&T shall apply to Petitioner (SCS) also.

Meadow Columbus, Regulatory Assistant for SCS, appeared and offered testimony in support of SCS's Application. Ms. Columbus stated that SCS is an Oregon corporation which is registered to do

business in South Carolina as a foreign corporation. According to Ms. Columbus, SCS proposes to offer long distance services using resold transmission services of carriers certificated to carry traffic in South Carolina. Ms. Columbus explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a reseller. The record reveals the Company's services, operations and marketing procedures.

Ms. Columbus also explained that SCS possesses the technical, financial and managerial abilities to provide its services in South Carolina. Ms. Columbus further testified that the Company would make certain changes to its proposed tariff to comply with Commission guidelines and prior Orders.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. SCS is incorporated under the laws of the State of Oregon and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. SCS operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.
3. SCS has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission

determines that a Certificate of Public Convenience and Necessity should be granted to SCS to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for SCS for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. SCS shall not adjust its rates, either business or residential, below the approved maximum level without notice to the Commission and to the public. Adjustments to residential rates shall also be noticed to the public. With regard to adjustments to residential rates, SCS shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No.

93-638, issued in Docket No. 84-10-C (July 16, 1993). With respect to business service offerings, credit card services, operator services, private line services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven days, then the tariff filing will be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to SCS also. Staff is instructed to monitor the Company using the same monitoring process and techniques as are used to monitor AT&T. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1995).

4. SCS shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. SCS is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. SCS shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If SCS changes underlying carriers, it shall notify the Commission in writing.


8. With regard to the origination and termination of toll calls within the same LATA, SCS shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. SCS shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

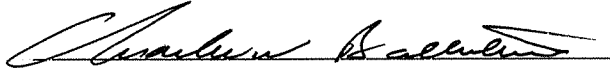
10. The Company, shall in compliance with Commission Regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, SCS shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. SCS shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 96-209-C - ORDER NO. 97-16  
JANUARY 6, 1997  
ATTACHMENT A

---

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

---

COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

---

PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

---

SIGNATURE

---

NAME (PLEASE TYPE OF PRINT)

---

TITLE